The Saskatchewan
Water Appeal
Board

# Annual Report 2001–2002

# Saskatchewan Water Appeal Board

102-07001/

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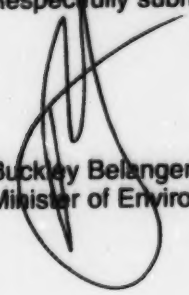
Her Honour L. Haverstock
Lieutenant Governor of Saskatchewan
Government House
4607 Dewdney Avenue
Regina, Saskatchewan
S4P 3V7

Dear Ms. Haverstock:

It is my pleasure to submit to you the Annual Report for the Water Appeal Board for the fiscal year ending March 31, 2002.

Respectfully submitted,



Buckley Belanger
Minister of Environment

Honourable Buckley Belanger
Minister
Saskatchewan Environment
Legislative Building
Regina, Saskatchewan
S4S 0B3

Dear Mr. Belanger:

I am pleased to present the Annual Report of the Water Appeal Board for the fiscal year ending March 31, 2002.

Respectfully submitted,

Donald G. Horner,
Chairperson

## Chairperson's Comments

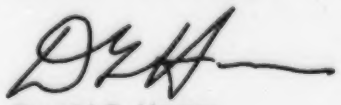
June 18, 2002

The Water Appeal Board came into effect July 1, 1984, replacing the Drainage Appeal Board. The board is composed of five members appointed by Order in Council. The members are drawn from across the Province and hear appeals of decisions of the Saskatchewan Water Corporation. The Board receives grant funding from the General Revenue Fund and has full responsibility for its financial operation.

The Water Appeal Board was created to hear and determine appeals made to it by any person affected by the action, order or decision of the Saskatchewan Water Corporation. The Board has the power to reconsider the decision being challenged, and has the authority to "...affirm, vary, substitute its own decision, or make any order it considers appropriate." The Board has no authority to order monetary compensation to an aggrieved party, or to enforce its own orders.

Most appeals involve farm drainage disputes which typically take one or two days to hear. Hearings are held mainly in the fall and winter months, since several of the members are engaged in farming operations during the spring and summer.

Once again, I would like to express my thanks to the other members of the Board for the time they have devoted to the business of the Board during the past year. Also, a special thanks to our secretary, M. Linton, for her very efficient management of the Board's daily operations.



Donald G. Horner
Chairperson

## Board Members

| | |
|---|---|
| **Chairperson:** | Donald G. Horner<br>P.O. Box 51<br>Creelman, Saskatchewan<br>S0G 0X0 |
| **Vice-Chairperson:** | Val Kononoff<br>P.O. Box 70<br>Arelee, Saskatchewan<br>S0K 0H0 |
| **Member:** | Jeanette Bell<br>P.O. Box 1166<br>Rosetown, Saskatchewan<br>S0L 2V0 |
| **Member:** | Wayne Randall<br>2206 Richardson Road<br>Saskatoon, Saskatchewan<br>S7L 4B7 |
| **Member:** | Janice Ruether<br>P.O. Box 106<br>Bjorkdale, Saskatchewan<br>S0E 0E0 |

## Table No. 1

| Appeals/Hearings | 2002 | 2001 | 2000 | 1999 | 1998 |
|---|---|---|---|---|---|
| Waiting to be heard at beginning of year | 10 | 26 | 27 | 23 | 20 |
| New appeals filed | 12 | 10 | 23 | 16 | 17 |
| Appeals heard | 11 | 4 | 16 | 10 | 10 |
| Appeals withdrawn and/or dismissed | 3 | 21 | 4 | 2 | 3 |
| Appeals filed but not accepted | 1 | 1 | 4 | — | 1 |
| Appeals waiting to be heard at year end | 7 | 10 | 26 | 27 | 23 |
| Appeals ordered to be heard or re-heard from the Queen's Bench | — | — | 1 | — | — |
| Appeals re-heard per Queen's Bench Order | 1 | — | — | — | — |
| Board meetings | 17 | 14 | 16 | 12 | 18 |
| Decisions rendered | 11 | 4 | 15 | 9 | 14 |
| Decisions rendered on appeals re-heard per Queen's Bench Order | 1 | — | — | — | — |
| Decisions outstanding | 2 | 2 | 2 | 1 | — |
| Saskatchewan Water Corporation decisions affirmed | 8 | 2 | 14 | 8 | 10 |
| Saskatchewan Water Corporation decisions varied or overturned | 3 | 2 | 1 | 1 | 4 |
| Decisions appealed to the Court of Queen's Bench | 3 | 2 | 11 | 4 | 1 |

## Board's Report

To the Members of the Legislative Assembly of Saskatchewan

The Water Appeal Board consists of five members appointed by the Lieutenant Governor in Council. The Board is responsible for financial administration, administration of the funds and management of the assets.

The financial statements which follow have been prepared in conformity with accounting principles generally accepted in Canada and have been approved by the Board. The Board uses internal controls and exercises its best judgement in order that the financial statements reflect fairly the financial position of the Board.

The financial statements have been examined by the Acting Provincial Auditor whose report follows.

Regina, Saskatchewan
June 18, 2002

Donald G. Horner
Chairperson

# Water Appeal Board Financial Statements
# Year Ended March 31, 2002
# Office of the Provincial Auditor
# Regina, Saskatchewan

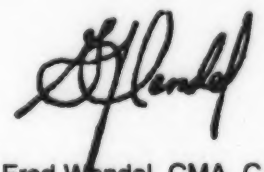
## Auditor's Report

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Water Appeal Board as at March 31, 2002 and the statements of operations and net assets, and cash flows for the year then ended. The Board's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at March 31, 2002 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Regina, Saskatchewan
May 23, 2002

Fred Wendel, CMA, CA
Provincial Auditor

# Water Appeal Board
## Statement of Financial Position
## As at March 31

| | 2002 | 2001 |
|---|---|---|
| **Assets** | | |
| Current assets: | | |
| Cash | $80,544 | $33,860 |
| Accounts receivable | 113 | 138 |
| | 80,657 | 33,998 |
| Capital assets (Note 3) | 1,982 | — |
| | $82,639 | $33,998 |
| **Liabilities & Net Assets** | | |
| Current liabilities: | | |
| Accounts payable | $8,979 | $2,399 |
| Appellant deposits (Note 4) | 1,800 | 2,400 |
| | 10,779 | 4,799 |
| Net assets (Statement 2) | 71,860 | 29,199 |
| | $82,639 | $33,998 |

(See accompanying notes to the financial statements)

# Water Appeal Board
## Statement of Operations and Net Assets
## For the Year Ended March 31

| | 2002 Budget | 2002 Actual | 2001 Actual |
|---|---|---|---|
| Revenues: | (Note 6) | | |
| Department of Environment and Resource Management Grant | $131,038 | $131,000 | $ 90,000 |
| Transcript fees | 3,000 | 496 | 17 |
| Interest | 1,000 | 1,577 | 2,550 |
| Appellant fees (Note 4) | 1,000 | 1,800 | 600 |
| Gain on disposal of capital assets | — | 266 | — |
| | 136,038 | 135,139 | 93,167 |
| Expenses: | | | |
| Board honorariums | $ 48,405 | $ 30,976 | $ 22,030 |
| Travel and sustenance | 30,283 | 20,332 | 11,751 |
| Secretarial services | 23,625 | 16,733 | 15,537 |
| Professional fees | 12,000 | 7,688 | 1,471 |
| Office supplies | 6,000 | 4,827 | 3,729 |
| Meeting room rental | 4,725 | 4,707 | 2,045 |
| Transcript fees | 3,000 | 528 | 486 |
| Office rental | 3,000 | 2,785 | 2,683 |
| Telephone | 4,000 | 2,231 | 3,074 |
| Amortization of capital assets | — | 991 | 1,529 |
| Accounting and printing services | 1,000 | 535 | 422 |
| Other | — | 145 | 183 |
| | $136,038 | 92,478 | 64,940 |
| Surplus for the year | | 42,661 | 28,227 |
| Net assets, beginning of year | | 29,199 | 972 |
| Net assets, end of year—to Statement 1 | | $ 71,860 | $ 29,199 |

(See accompanying notes to the financial statements)

# Water Appeal Board
## Statement of Cash Flows
## Year Ended March 31

| | 2002 | 2001 |
|---|---|---|
| Cash flows from operating activities: | | |
| Grant from Department of Environment and Resource Management | $131,000 | $90,000 |
| Receipts from appellants | 2,400 | 1,800 |
| Receipts from customers | 471 | 17 |
| Interest received | 1,626 | 2,459 |
| Payments to board members for honoraria, travel and sustenance | (50,204) | (33,781) |
| Payments to appellants | (1,000) | (4,800) |
| Payments to suppliers | (34,902) | (33,619) |
| | 49,391 | 22,076 |
| Cash flows from investing activities: | | |
| Purchase of capital assets | (2,973) | — |
| Proceeds from disposal of capital assets | 266 | — |
| | (2,707) | — |
| Net increase in cash | 46,684 | 22,076 |
| Cash, beginning of year | 33,860 | 11,784 |
| Cash, end of year | $ 80,544 | $33,860 |

(See accompanying notes to the financial statements)

# Water Appeal Board
## Notes to the Financial Statements
## March 31, 2002

### 1. Authority

The Water Appeal Board was established under *The Water Appeal Board Act,* on July 1, 1984. The purpose of the Board is to hear and determine appeals made to it pursuant to *The Water Corporation Act.*

### 2. Significant Accounting Policies

These financial statements have been prepared using Canadian generally accepted accounting principles. The following accounting policies are considered significant.

a) Revenue

The grant from the Department of Environment and Resource Management (effective April 1, 2002 the Department of Environment) is recognized as revenue when appropriated and received.

b) Appellant fees

Appellant deposits are recognized as appellant fee revenue when the appeals have been heard and the appellant is not successful in their appeal.

c) Capital assets

Capital assets costing more than $500 are recorded at cost and amortized over their useful lives. Amortization of equipment commences in the year of acquisition and amortization is calculated on a straight-line basis over three years.

### 3. Capital Assets

| | Cost | | Accumulated Amortization | | Net Book Value | |
|---|---|---|---|---|---|---|
| | 2002 | 2001 | 2002 | 2001 | 2002 | 2001 |
| Equipment | $ 6,401 | $ 9,514 | $ 4,419 | $ 9,514 | $ 1,982 | $ — |

### 4. Appellant Deposits

Appellant deposits are held by the Board until the appeals have been heard and the decisions rendered. Once the decisions have been rendered by the Board these deposits are dealt with in one of two manners:

i) The deposit is returned to the appellant if he/she has been successful in his/her appeal.

ii) The deposit is retained by the Board and recorded as income if the appellant is not successful in his/her appeal.

At year end, the Board had 7 appeals (2001 — 10 appeals) that are awaiting hearing and 2 appeals (2001 — 2 appeals) that are awaiting decision.

## 5. Financial Instruments

The Board's financial instruments include cash, accounts receivable, accounts payable and appellant deposits. The fair value of these instruments approximates their carrying value due to the immediate or short-term nature of these financial instruments.

## 6. Budget

These amounts represent the budget approved by the Water Appeal Board.

## 7. Related Party Transactions

These financial statements include transactions with related parties. The Board is related to all Saskatchewan Crown agencies such as departments, corporations, boards and commissions under the common control of the Government of Saskatchewan. Also, the Board is related to non-Crown enterprises that the Government jointly controls or significantly influences.

Routine operating transactions with related parties are recorded at the rates charged by those organizations and are settled on normal trade terms. These transactions, and amounts outstanding at year end, are as follows:

| Category | 2002 | 2001 |
|---|---|---|
| Professional fee expenses | $1,500 | $ 0 |
| Office rental expenses | 2,785 | 2,683 |
| Telephone expenses | 1,841 | 2,469 |
| Accounts payable | 2,003 | 245 |

The Board pays Provincial Sales Tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

Other transactions with related parties and amounts due to/from them are described separately in the financial statements and the notes thereto.

## 8. Contingency

The accounts payable at March 31, 2002 include $3,000 as a contingency to cover a possible claim for the cost award made against the Board by the Court of Queen's Bench in *Q.B. 4/99; The Rural Municipality of Fillmore No. 96 v. Isadore Sigda, Saskatchewan Water Corporation, The Water Appeal Board, Cameron Hart.*

## Honoraria Paid to Board Members

| | 04/04/01 | 05/02/01 | 07/28/01 | 11/07/01 | 11/28/01 | 01/12/02 | 01/29/02 | 02/13/02 | 03/13/02 | 03/31/02 | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **D. Horner** | $940.00 | $940.00 | $1,175.00 | $1,057.50 | $470.00 | $1,527.50 | $235.00 | $940.00 | $940.00 | $352.50 | **$8,577.50** |
| **V. Kononoff** | | $77.50 | $465.00 | | $1,007.50 | $942.50 | $545.00 | | | $606.25 | **$3,643.75** |
| **J. Bell** | $697.50 | $930.00 | $775.00 | $542.50 | $852.50 | $542.50 | $465.00 | $697.50 | $542.50 | $155.00 | **$6,200.00** |
| **W. Randall** | $697.50 | $930.00 | $697.50 | $542.50 | $852.50 | $697.50 | $465.00 | $930.00 | $1,007.50 | $155.00 | **$6,975.00** |
| **J. Ruether** | $697.50 | $697.50 | $620.00 | $620.00 | $775.00 | $620.00 | $465.00 | $620.00 | $697.50 | $77.50 | **$5,890.00** |
| | | | | | | | | | | | **$31,286.25** |